

Marie's Gift

A proposal to make the most of Marie Pinho's bequest

Nancy and John Veldhuis, Markie Harwood and Carmela Ormando

Funding requirement: \$220,000

Project name: A New Worship Space for NOVA

Description: This project proposes partnering with Arlington Presbyterian Church (APC) for a shared worship space in keeping with NOVA's – and APC's -- interfaith and social justice support goals.

Purpose and need: The project would:

- Serve the NOVA Community by providing a modern, climate controlled, handicapped accessible, inspirational, year-round worship and meeting space that the Community has been seeking through various search committees for the last decade or more.
- Provide NOVA with the opportunity to deepen its commitment to interfaith involvement by partnering with the Arlington Presbyterian Church in a shared worship space and potentially shared activities.
- Meet the NOVA Community's stated desire for a worship space that would be a "living" social justice project. The space would promote social justice by benefiting the underserved – a mission important to our benefactor, Marie. In this case, those served would be the neighbors of and the residents of the affordable housing complex that would house NOVA's worship space. Some program possibilities: Partner with APC to staff a resource center offering social services such as voter registration, English language education, job training; offer work space to nonprofit startups and free-lancers. Specific programs are still to be determined by both churches.
- Also furthering social justice, our rent would be an investment in affordable housing. The building developer, Arlington Partnership for Affordable Housing (APAH), which was started by original, former NOVA members, uses its returns to fill gaps in affordable housing services and availability. For example, four social workers will be on staff at the property; and funds are used to apply for grants to incubate new programs.

Administration and accountability: Up to \$220,000 would:

- Pay NOVA's share of costs to build out the multipurpose space with lighting, acoustics, and specifications for kitchen, bathroom(s), office, storage and such. An expert contact by APC estimated those costs at \$100 to \$125 per square foot. Given the 2,000- to 2,500 square foot space envisioned and given a \$60 per square foot allowance from APAH, NOVA's half of those costs would be a maximum of \$81,250.

- Cover NOVA's share of costs for furnishings, such as tables and chairs (rough retail estimate: \$5,800), bathroom fixtures, kitchen equipment and outdoor signage. We are working on an estimate of these costs.

Expenditures would be decided by a joint Arlington Presbyterian Church Moving Forward Committee and a NOVA committee to be named. This initial funding would provide NOVA with the opportunity to have input into the space/use design plan that will best meet the needs of our Community as have been identified by previous NOVA search committees.

This initial funding would be expended by a projected move date of spring 2019. (See "Ongoing administration and costs" below)

Program success would be measured by our successful, affordable move to the new space and successful negotiation of the use and availability of space by APC and NOVA. Success would also be measured by our efforts toward interfaith engagement and support of the social justice needs of neighbors and residents of the affordable housing complex.

Our partner: Arlington Presbyterian Church is closely aligned with NOVA in its commitment to social justice and in its vision of a new worship space that will also serve the local community.

After concluding through a lengthy discernment that its 53,000-square-foot property on Columbia Pike was underused by its declining membership, APC sold the property to APAH, which plans to develop a six-story building with 173 affordable housing units and ground-floor retail. Nine of the units will be rented to tenants who earn 40 percent or less of our area's median income; 32, to tenants with 50 percent AMI; and the balance, to tenants with 60 percent AMI. Many APAH tenants' incomes are subsidized – for example, through federal Section 8 vouchers, county housing grants, or disability benefits. More than half of the units will be one-bedrooms targeted at low-income seniors.

The ground floor will include the shared worship space, where APC envisions subleasing -- or donating space as a social justice mission -- to multiple groups seven days a week. APC would be the primary lessee helping other nonprofits (NOVA Catholic Community and others) and drawing in nearby residents. The ground floor will also have a community room for residents where we spread our volunteerism.

APC at this point is open to and positive about working with NOVA on joint use of the space, with the understanding that it or NOVA could change plans. If both parties agree to work together, NOVA would likely sign a sublease agreement with APC. Details are yet to be worked out.

The joint Arlington Presbyterian Church Moving Forward Committee and a NOVA committee to be named, in conjunction with each community, would determine the

guidelines and decision structure for allocating use of the space on Sundays and other times. APC currently worships at 11 a.m. on Sundays.

Ongoing administration and costs: Beyond NOVA's initial, one-time investment in the build-out costs and furnishings, NOVA would continue to pay monthly rent to APC, who will lease the space from APAH. According to recent terms, which remain fully negotiable until November, annual rent would be \$29 per square foot per year. This is low for the Columbia Pike area, where the market rate ranges from the mid-30s to the low-40s, according to APAH. Added to rent would be an estimated \$8 to pay real estate taxes and "common area" costs such as for management, maintenance, security, insurance and trash. Another cost would be utilities, for which APAH is working to provide us an estimate.

APC anticipates a space of 2,000 to 2,500 square feet, so, at the higher end, annual rent would be about \$92,500.

At this point, the plan is to split this cost with APC, which would mean NOVA's share would be about \$46,250 plus utilities.

This is more than our current rental costs of about \$14,500 per year. However, we believe NOVA could adjust its financing to meet this expense. For example:

- About one-third of the new rent could come from our current rent expenditures.
- Another third could come from the reserves of the \$220,000 bequest after build-out and furnishing costs. We are trying to come up with an estimate of what these reserves might be.
- Another third could come from restructuring our social justice fund-raising or from new fund-raising. Since the space itself would anchor our social justice work, some of the funds raised through Men Who Cook and other efforts could be redirected toward rent. For example, if one of our projects were to support an after-school program, our contribution could be in the form of rent for a meeting space at the APC/NOVA worship space. As for new fund-raising, we might consider a capital campaign or planned giving program for bequests.

Rental costs could also be lowered by finding one or more sub lessees of the space. This is something we would continue to work on over the next couple of years.

APC's initial lease term with APAH is 10 years. Minimum base rent increases 3 percent annually.

Additional Information:

- The new building, Gilliam Place, will be located on the current APC site at the intersection of Columbia Pike and Lincoln Street, just a block to the west of the intersection of Columbia Pike and Glebe Road in south Arlington.
- The 2,000- to 2,500-square-foot worship space will be located on the street level along Lincoln Street. It will be a rectangular space with an outside glass wall, letting in the morning sun. From the outside, it will look very much like the first

floor space currently occupied by retail in the new apartment building across the street on the old Rosenthal site at Columbia Pike and Glebe Road. Construction will include stones from APC's former church.

- Parking. The plan is to have about 30 underground spaces, including handicap-accessible spaces and all shared by residents and retail customers. There are 15 parking spaces on the street. We could ask to use Bank of America lot on Sundays, and we are investigating the availability of nearby parking garages (Halstead, 0.3 miles away has free parking on Sundays; Penrose Square has free parking for one hour). No. 16 bus stops right there, making NOVA accessible to a broader community.
- NOVA's presence could result in the ethnic and economic diversification of our membership if residents became interested in NOVA's style of worship and the convenience of the shared location.
- Many churches with declining memberships are partnering with other churches for space or seeking new purposes for their space. NOVA and APC would be part of this trend. For example: A Long Island church that houses three religions: <https://www.washingtonpost.com/news/acts-of-faith/wp/2016/04/14/when-a-tiny-church-houses-three-religions/>; St. Lydia's in Brooklyn offers co-working: <http://stlydias.org/co-working/>.
- See attachments and link:

*Terms from APAH, prepared by design and strategy firm Street Sense
Architectural drawings of space*

News article about Gilliam Place: <https://www.washingtonpost.com/news/where-we-live/wp/2016/01/11/new-affordable-apartments-coming-to-arlington/>

Features proposed are drawn from previous worship space search committees as determined through community polls:

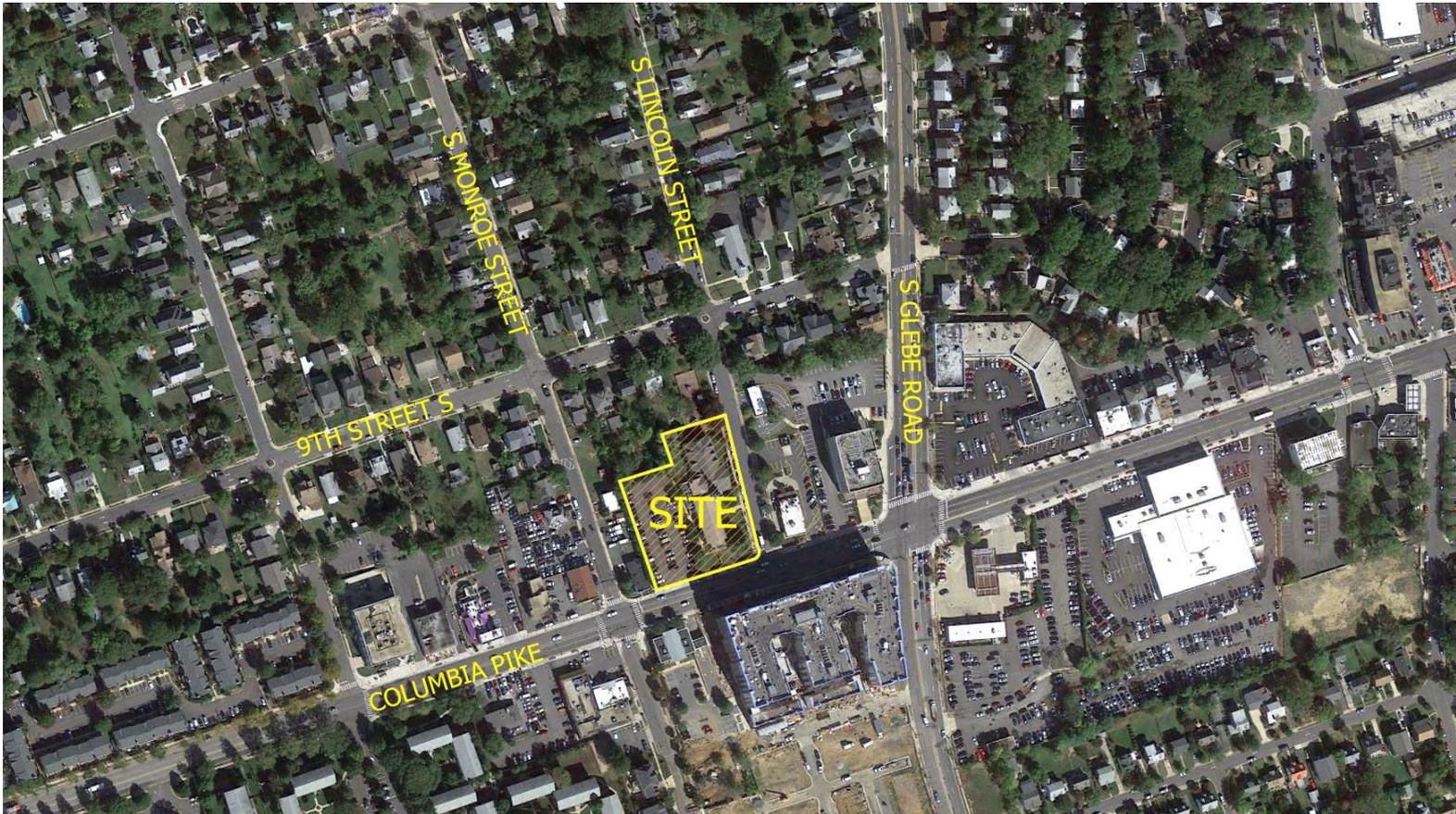
- Multipurpose room that has natural lighting, is acoustically sound, can seat up to 150 people for Sunday services, and up to 160 seated at round tables for other events.
- Handicap accessibility.
- Environmentally contemplative/meditative/sacred space – perhaps stained glass?
- Prefer wired acoustical system.
- Prefer adjustable lighting.
- 20 round tables that seat 8-10 each. (Rough retail estimate: \$2,400)
- 160 chairs with cushioning. (Rough retail estimate (\$3,400)
- Lockable closet area to store our stuff; lockable closet area to store our joint stuff. We discussed approximately a 20x15 area to meet both of these needs.
- Bathroom(s).
- Kitchen.
- Office/meeting/classroom spaces – perhaps a large area that could be partitioned as needed into two smaller areas.
- Janitorial service available.
- Available on Sunday mornings, in coordination with APC, and for occasional afternoon/evening events.
- Reasonable rent. Our current costs are \$14,500 per year.

- Adequate parking nearby



Arlington Partnership for Affordable Housing

Aerial Plan of Site at 3507 Columbia Pike





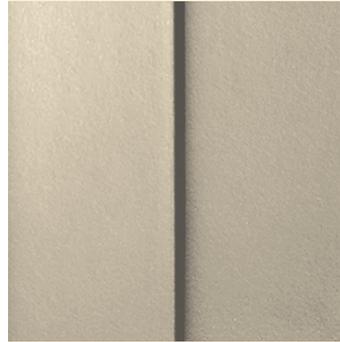
PERSPECTIVE IMAGE



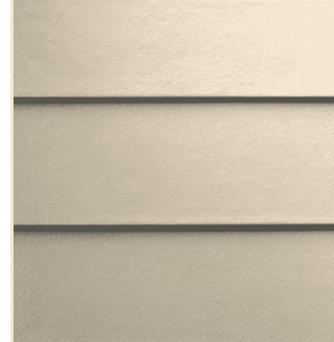
MATERIALS



Building Perspective



Fiber Cement Panels



Fiber Cement Lap



Brick 4



Brick 3



Brick 2



Brick 1



Metal Storefront



Reclaimed Stone

Gilliam Place-Unit Mix

Vision

- Intergenerational building serving families, individuals and seniors
- Mix of Resident Services and Partners to complement this vision

	40% AMI	50% AMI	60% AMI	<u>TOTAL</u>	
Studio	0	5	17	22	13%
One Bedroom	9	1	73	83	48%
Two Bedroom	0	26	23	49	28%
Three Bedroom	0	0	19	19	11%
Total	9	32	132	173	100%

Via Email: sretherton@aol.com

August 1, 2016

RE: *Letter of Intent*
APC Letter of Intent- Retail Space, 3507 Columbia Pike- Gilliam Place
Arlington, Virginia

Dear Susan:

We are pleased to present you with this Letter of Intent which sets forth the basic terms and conditions of which Gilliam Place East Limited Partnership proposes to structure a lease agreement for the premises referenced above.

Landlord: Gilliam Place East Limited Partnership

Tenant: Arlington Presbyterian Church or affiliate

Guarantor: To be determined upon Landlord's review of Tenant's most recent financial statements and other requested financial information.

Use: Space is envisioned to be multi-purpose, located on the Lincoln Street frontage or as otherwise determined by Landlord in its sole discretion, with potential for sublease to other non-profits such as NOVA Catholic Charities. Ultimate use of the Premises must comply with all applicable Arlington County Zoning requirements.

Premises: Approximately 2,000-2,500 square feet, on Lincoln Street Frontage

Initial Lease Term: Ten (10) years.

Minimum Base Rent: The Minimum Base Rent shall be Twenty-Nine Dollars and 00/100 (\$29.00) per square foot, Triple Net (NNN).

Annual Increases In Minimum Base Rent: The Minimum Base Rent shall increase by Three Percent (3%).

Option to Renew: Two (2) renewal option of five (5) years, exercisable upon Three Hundred Sixty Five (365) days written notice.

Initial Deposit: At lease Execution, Tenant shall provide Landlord with one (1) month's full rent and additional expenses, which shall be applied to the first month of due rent.

Security Deposit: Subject to review of Tenant's financial statements, but in no event to be less than one (1) month's rent.

Date of Possession: Estimated to be 1st Quarter 2019.

Lease/Rent Commencement: The earlier of i] ninety (90) days after the date Landlord delivers possession of the Premises to Tenant, or ii] the date Tenant opens for business, whichever occurs first.

8/1/16

Landlord's Construction: Landlord shall deliver the Premises to Tenant in Shell Condition in accordance with the attached Landlord's Shell exhibit [Exhibit A].

Tenant's Construction: Tenant shall be responsible for all improvements (except as provided above as "Landlord's Construction") including but not limited to equipment, furniture, and trade fixtures. All improvements shall be completed with the highest quality materials and standards. All plans and specifications shall be subject to Landlord's review and approval prior to commencement of any construction within the Premises.

Construction Allowance: Sixty dollars (\$60.00) per square foot.

Utilities: Tenant shall pay for its usage of all utilities (including electricity, gas, phone, water and sewer and cable, if applicable) either directly to the utility company or to Landlord.

Additional Expenses: *Landlord is in the process of finalizing CAM Budget and estimates for Real Estate Taxes & Insurance. **Additional Expenses are currently estimated to total approximately Eight Dollars (\$8.00) per square foot annually.***

Real Estate Taxes:

Tenant shall pay on a monthly basis, in addition to Minimum Rent, its pro rata share of Landlord's Real Estate Taxes and other applicable assessments associated with the Premises.

- Real Estate Taxes are estimated to be \$4.00 psf.

Common Area Expenses / Insurance:

Tenant shall pay its pro rata share of costs for the management, maintenance, repair, replacement, security, insurance, trash and general common area operation associated with the Project, to be paid on a monthly basis with Minimum Rent.

- CAM is estimated to be \$3.50 psf.
- Insurance is estimated to be \$.50 psf.

Store Design: Tenant's design shall be subject to Landlord's approval. Tenant shall submit plans to Landlord for approval prior to filing for a building permit.

Signage: Tenant shall obtain approvals for and install, at Tenant's sole cost and expense, building signage allowable by code and as approved by the Landlord.

Lease Document: Landlord's standard lease form shall be used.

8/1/16

The above proposal is a statement of the general terms under which the Landlord is prepared to consider the lease of the subject Premises and contains only some of the terms that are normally contained in a commercial lease of this size and nature. The proposal is non-binding and has no legal effect. Neither Landlord nor Tenant is bound to lease the Premises unless and until a lease mutually acceptable to both parties is executed and delivered by both parties. Each party will be free to terminate its negotiations at any time prior to execution by both parties of a mutually acceptable lease, with no legal obligations of either Landlord or Tenant to execute any lease or to continue negotiations. Unless executed by Tenant, this Letter of Intent will expire on November 1, 2016 (the "Expiration Date"), which date may be extended at Landlord's sole discretion upon request by Tenant at any time prior to the Expiration Date. If this LOI is executed by both parties, but we cannot agree on a mutually acceptable lease, it will automatically expire one-year after execution.

Sincerely,
STREETSENSE



Lee E. Engle

Acknowledged and Accepted:

TENANT:

BY: _____ **DATE:** _____

NAME: _____

TITLE: _____

LANDLORD:

BY: _____ **DATE:** _____

NAME: _____

TITLE: _____

EXHIBIT A
Landlord's Work

In connection with the construction of the Development and the delivery of the Premises, Landlord shall provide the following at Landlord's sole cost and expense:

All Landlord construction shall be in accordance with the requirements of all applicable codes, ordinances, rules and regulations of all authorities having jurisdiction over the work and Landlord's insurance carrier.

1. **Building structure:** To include all walls, columns, girders, beams and a concrete slab floor and ceiling in which the Premises are to be located.
2. **Electric:** 400 amp, 120/208 volt, 3 phase, 4 wire electrical service stubbed to the premises.
3. **HVAC:** Landlord shall provide a chase for Tenant to install refrigerated supply/return lines from the condenser unit location.
4. **Ceiling:** Open ceiling. Tenant, at Tenant's option, shall be responsible for distribution of lighting and ceiling grid.
5. **Restroom(s):** Rough-in for bathroom, sink, and mop sink (to be located and sized by mechanical engineer). Tenant shall be responsible for plumbing fixtures, walls, and lighting.
6. **Exit Signs:** Lighted interior exit sign(s) as required by code.
7. **Exterior Sign:** Junction box at exterior awning for exterior signage.
8. **Demising partition walls:** Acoustically insulated partition walls consisting of 6" metal studs at 16" O.C. full height to underside of deck above. Finish with minimum 1/2" type "X" gypsum wall board on both sides, taped and sanded, ready for Tenant finish. Partition shall be rated as required by code.
9. **Storefront:** Glass and aluminum storefront with tempered glass at required locations and tempered glass storefront door(s). Door hardware to include pivot hinges, weather stripping, push and pull, closer and lock set.
10. **Rear Door:** Rear egress shall consist of one (1) insulated steel door and frame with threshold, and deadlock.
11. **Water line:** Minimum 1.5 inch cold-water valve capped pipe provided for Tenant to tap into, with sub-meter.
12. **Waste line:** Minimum four (4") inch sanitary line and one and one-half (1.5") inch vent provided for Tenant to tap into. Cleanouts shall be installed per code.
13. **Sprinkler system:** Sprinkler system with upturned brass sprinkler heads to meet code.
14. **Fire alarm and life safety system:** For the building shell as required by code
15. **Telecommunication:** One (1) empty 2" conduit for telephone service with pull string, installed from the rear of the space to the telephone service entrance. Internal distribution, telephone outlets, telephone service and conductors will be by Tenant.